

Ken and Linda Lay
Balance Sheet Comparison
April 30, 2000

	<u>3/31/00</u>	<u>4/30/00</u>	<u>Variance</u>	
Current Assets	4,452,914	7,714,363	3,261,449	ENE Stock Option exercise. settlement 5/01/00
Marketable Investments				
Com & Pref Stocks	140,973,629	140,409,375	(564,254)	ENE dec. \$5.19 from pr. Mo.; CPQ inc. \$2.50 from pr. Mo.
Executive Stock Options	170,785,621	138,332,121	(32,453,500)	286,800 Stock Opt Exe; ENE dec. \$5.19 from pr. Mo.;
Bonds	236,075	236,075	-	
Mutual Funds	16,196,568	16,034,627	(161,941)	
Partnerships (Family)*	56,755,703	52,072,573	(4,683,130)	ENE dec. \$5.19 from pr. Mo.; CPQ inc. \$2.50 from pr. Mo.
Long Term Investments	34,414,974	35,323,798	908,824	MILAND purchase, Broadwing, Capricorn III Cap Call
Retirement/Deferred Assets	61,317,162	57,877,594	(3,439,568)	ENE dec. \$5.19 from pr. Mo.;
Personal Non Earning Assets	2,332,727	2,560,985	228,258	Mercedes & Home Furnishings
Current Liabilities	(64,386,322)	(69,549,004)	(5,162,682)	1999 Tax Payment, investments (bought stock @PW on margin)
Long Term Liabilities	(120,512,632)	(104,236,611)	16,276,021	Decrease. in Deferred Tax Liab. due to decrease stock opt.;
Business Liabilities	<u>(176,487)</u>	<u>(184,701)</u>	<u>(8,214)</u>	
NET WORTH	<u><u>\$ 302,389,932</u></u>	<u><u>\$ 276,591,195</u></u>	<u>(25,798,737)</u>	

CONTINGENT LIABILITIES:

Ken and Linda have guaranteed a mortgage in the amount of \$900,000 maturing on January 1, 2014 with an interest rate of 6.88% at Bank of America for their daughter, Robyn Vermeil. This loan is collateralized by property appraised at \$965,000 as of December 9, 1998.

Ken has also guaranteed three unsecured notes in the amounts of \$185,000.00 maturing on May 27, 2000 and \$1,200,000 plus \$150,000 maturing on June 25, 2000 (totaling \$1,535,000) at an interest rate of 30-Day LIBOR +1.5% at Bank of America for his sister, Sharon Lay.

* Value based on FMV of partnership assets. No discount for partnership interest is shown.

LAY-G39 0114

May 20, 2000

Kenneth L. & Linda P. Lay
BALANCE SHEET ANALYSIS
As of: April 30, 2000

	<u>Balance</u>	<u>% of Total Assets</u>	<u>% of Working Assets</u>
<u>ASSETS</u>			
CURRENT ASSETS			
Cash on Hand:			
CASH ON HAND/BJONES	44.20	.0%	.0
CASH ON HAND/SK	218.83	.0%	.0
CASH ON HAND/PSTOKES	203.12	.0%	.0
CASH ON HAND/MSTURGIS	193.00	.0%	.0
CASH ON HAND/LEONA	381.63	.0%	.0
Total Cash on Hand:	<u>1,040.78</u>	.0%	.0
Checking Accounts:			
BANK OF AMERICA 0707	-46,687.88	.0%	.0
BANK OF AMER/LPL PROP	-3,664.17	.0%	.0
BANK OF AMER/STOKES	2,213.93	.0%	.0
VECTRA BANK	3,397.73	.0%	.0
UNITY 109-900	4,963.09	.0%	.0
Total Checking Accounts:	<u>-39,777.30</u>	.0%	.0
Money Market Accounts:			
WASHINGTON DC ACCT	90,000.00	.0%	.0
Total Money Market Accounts:	<u>90,000.00</u>	.0%	.0
Brokerage Accounts:			
CHARLES SCH-CAPROCK/SCH-CR	142,126.17	.0%	.0
GOLDMAN SACHS/GS-61	36,850.00	.0%	.0
GOLDMAN SACHS/GS-42	36,933.46	.0%	.0
PAINE WEBBER MMA/PW-KLL	3,426,765.00	.8%	.8
PAINE WEBBER CYPRESS/PW-98	-6,686.97	.0%	.0
PAINE WEBBER HB/PW-38	35,717.11	.0%	.0
SANDERS MORRIS MMA/SMM-JT	.98	.0%	.0
WATERHOUSE SEC-MMA/WSI	1,041.43	.0%	.0
Total Brokerage Accounts:	<u>3,672,747.18</u>	.8%	.8
Savings Accounts:			
ENRON CREDIT UNION/KLL	44.55	.0%	.0
Total Savings Accounts:	<u>44.55</u>	.0%	.0
Treasury Bills:			
SAVINGS BONDS	2,400.00	.0%	.0
Total Treasury Bills:	<u>2,400.00</u>	.0%	.0
Short-term Receivables:			
ACCT RECV-TDH	410,000.00	.1%	.1
ACCT RECV-TDH (AVALON)	171,550.04	.0%	.0
ACCT RECV-MKL	190,278.26	.0%	.0

*Paid down
on BALOC.*

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	<u>Balance</u>	<u>% of Total Assets</u>	<u>% of Working Assets</u>
ACCT RECV-RENT DEP (#1000)	2,102.08	.0%	.0
ACCT RECV-S. HOBBS	112,500.00	.0%	.0
ACCT RECV-D. HOBBS	112,500.00	.0%	.0
ACCT RECV-RRH	20,000.00	.0%	.0
ACCT RECV-RRH (DICKEY)	135,000.00	.0%	.0
ACCT RECV-BJONES	106,859.92	.0%	.0
ACCT RECV-RV	84,643.00	.0%	.0
ACCT RECV-JWALLS	957.12	.0%	.0
ACCT RECV-JAL	7,878.89	.0%	.0
ACCT RECV-E MCELROY	4,850.00	.0%	0
ACCT RECV-RANDY GRAY	60,000.00	.0%	0
ACCT RECV-Y2K ENERGY CO.	1,110,000.00	.2%	.2
Total Short-term Receivables:	<u>2,529,119.31</u>	.6%	.6
Notes Receivable:			
FAM PTRNS ANNUITY-2/KLL	730,081.17	.2%	.2
FAM PTRNS ANNUITY-2/LPL	728,707.10	.2%	.2
Total Notes Receivable:	<u>1,458,788.27</u>	.3%	.3
TOTAL CURRENT ASSETS	<u>7,714,362.79</u>	1.7	1.7

MARKETABLE INVESTMENTS

Enron Corp.	\$ 110,629,700.02
Common Stock	10,868,578.70
Fayez Sarofim Mgmt.-Com	3,338,516.96
Sanders Morris Mundy-Com	1,069,458.46
Cypress Asset Mgmt.-Com	4,038,044.23
Goldman Sachs-Com	2,349,875.66
Goldman Sachs-Internet	1,548,076.40
Caprock Capital Advisors	886,086.72
PaineWebber Core Hold.	2,886,482.22
Harris Bretall	769,553.65
Vested Exec Stock Options	138,332,120.79

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DR RED DUKE INC 52,632 SHS	100,000.80	.0%	.0
ECOUTLOOK.COM 50,000 SH	200,000.00	.0%	.0
INDX SOFTWARE 18588/SMM-JT	50,001.72	.0%	.0
NET EXPLOR P2,000SH/SMM-JT	100,000.00	.0%	.0
OPENPLUS 7,500SH/SMM-JT	75,000.00	.0%	.0
QUESTIA MEDIA 558,306 SH	1,500,000.73	.3%	.3
Total Preferred Stocks:	<u>2,025,003.25</u>	.4%	.5
Corporate Bond-Convertibl:			
LAKEWOOD SPORT CONV/SMM-JT	52,250.00	.0%	.0
LAKEWOOD SPORT-1/SMM-JT	52,250.00	.0%	.0
LAKEWOOD SPRT CONV2/SMM-JT	30,041.00	.0%	.0
EARTHCARE CO DEB/SMM-JT	100,000.00	.0%	.0
EARTHCARE CO 1534SH/SMM-JT	1,534.00	.0%	.0
Total Corporate Bond-Convertibl:	<u>236,075.00</u>	.1%	.1
Mutual Funds:			
GS 1999 EXCH FND/GS	7,361,955.65	1.6	1.6
MUNDER NET 14389SH/PW-94	998,021.04	.2%	.2
PW STRATEGY FUND/PW-94	961,000.00	.2%	.2
TCW SELECT EQUITIES FUND	1,383,492.36	.3%	.3
TCW AGRESSIVE GRWTH/NB	891,304.20	.2%	.2
TCW AGRESSIVE GROWTH/NB	762,786.44	.2%	.2
TCW AGRESSIVE GROWTH 3/00	1,995,804.20	.4%	.4
TCW SMALL GROWTH FUND	1,680,263.15	.4%	.4
Total Mutual Funds:	<u>16,034,627.04</u>	3.6	3.6
Partnerships-other:			
KLL & LPL INVESTMENT PTRNS	50,753,148.00	11.3	11.3
KLL & LPL FAMILY PTRNS	1,319,425.00	.3%	.3
Total Partnerships-other:	<u>52,072,573.00</u>	11.6	11.6
TOTAL MARKETABLE INVESTMENTS	<u>347,084,772.10</u>	77.0	77.5
LONG-TERM INVESTMENTS			
Residence:			
REAL ESTATE/HUNTINGDON	9,792,024.91	2.2	2.2
REAL ESTATE/LOOSCAN	1,290,970.27	.3%	.3
Total Residence:	<u>11,082,995.18</u>	2.5	2.5
Real Estate Other Homes:			
REAL ESTATE/ASPEN	2,863,697.02	.6%	.6
REAL ESTATE/B-3431	447,544.79	.1%	.1
REAL ESTATE/SPRING ST	5,262,740.19	1.2	1.2
PIRATES' COVE LOTS	299,742.66	.1%	.1
REAL ESTATE/B-3429	695,917.34	.2%	.2

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	<u>Balance</u>	<u>% of Total Assets</u>	<u>% of Working Assets</u>
REAL ESTATE/B-3433	859,132.60	.2%	.2
REAL ESTATE/REBA	492,639.61	.1%	.1
REAL ESTATE/CREEKSTONE LOT	1,679,069.25	.4%	.4
REAL ESTATE/WESTGATE	283,195.50	.1%	.1
REAL ESTATE/2514 AVALON	283,421.38	.1%	.1
Total Real Estate Other Homes:	<u>13,167,100.34</u>	2.9	2.9
Real Estate Active Rental:			
REAL ESTATE/1741SR	147,309.00	.0%	.0
REAL ESTATE/1852MAR	104,044.97	.0%	.0
REAL ESTATE/1856MAR	173,048.67	.0%	.0
REAL ESTATE/1918SR	243,231.08	.1%	.1
REAL ESTATE/KINGS	190,000.00	.0%	.0
REAL ESTATE/VIKING	60,000.00	.0%	.0
REAL ESTATE/MEXICO MO	240,026.00	.1%	.1
Total Real Estate Active Rental:	<u>1,157,659.72</u>	.3%	.3
Real Estate Passive:			
BLenheim APARTS, LTD.	225,000.00	.0%	.1
COLORADO OASIS LTD.	254,888.00	.1%	.1
CREEKSTONE SOUTH RICE PTRS	300,000.00	.1%	.1
LAKE CHARLES APTS., LTD.	240,000.00	.1%	.1
JESTER APTS PARTNERS,LP	470,000.00	.1%	.1
TRAILSIDE APTS, LTD.	500,000.00	.1%	.1
MILAND INVESTMENTS LLC	643,328.60	.1%	.1
J.T.FAM,SR. INVEST., LTD.	289,080.00	.1%	.1
W.E. TRADE INVESTMENTS LTD	252,450.00	.1%	.1
W.A.REHAUSENLOT INV LTD	118,561.00	.0%	.0
Total Real Estate Passive:	<u>3,293,307.60</u>	.7%	.7
Farming Interests:			
11 ACRES ILLINOIS	4,500.00	.0%	.0
Total Farming Interests:	<u>4,500.00</u>	.0%	.0
Other Investment-Passive:			
BROADWING, LLC	100,000.00	.0%	.0
CAPRICORN INVESTORS II LP	574,449.00	.1%	.1
CAPRICORN INVESTORS III	241,718.00	.1%	.1
CARSON PRIV CAP EUROPE LP	1,050,000.00	.2%	.2
CARSON LEGEND LP	250,000.00	.1%	.1
CORPORATE OPPT FUND/SMM-JT	264,000.00	.1%	.1
DYMAXION APARTMENTS, LTD	22,422.00	.0%	.0
CHAMPION L.L.C/SMM-JT	100,000.00	.0%	.0
CON-EQUIP LLC/SMM-JT	100,000.00	.0%	.0
CON-EQUIP II LLC/SMM-JT	43,600.00	.0%	.0

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ENVIR OPP 500,000SH/SMM-JT	289,000.00	.1%	.1
ENVIRON OPP FUND II/SMM-JT	107,600.00	.0%	.0
HOUSTON NFL HOLDINGS 2.5%	2,500,000.00	.6%	.6
KESTREL VENTURES, LLC	59,920.00	.0%	.0
MV PTRNS-CYBER DIALOGUE	346,500.00	.1%	.1
SANDERS OPPORT FUND/SMM-JT	538,500.00	.1%	.1
USA CAFE LLC/SMM-JT	30,526.00	.0%	0
Total Other Investment-Passive:	<u>6,618,233.00</u>	1.5	1.5
TOTAL LONG-TERM INVESTMENTS	<u>35,323,797.84</u>	7.8	7.9
RETIREMENT/DEFERRED ASSETS			
IRA:			
PAINE WEBBER-IRA/KLL-PW	66,742.30	.0%	.0
Total IRA:	<u>66,742.30</u>	.0%	.0
IRA/Spouse:			
PAINE WEBBER-IRA/LPL-PW	66,826.74	.0%	.0
Total IRA/Spouse:	<u>66,826.74</u>	.0%	.0
Retirement Plan:			
ENRON-RETIREMENT	4,093,696.00	.9%	.9
ENRON SAVINGS RO/PW401K	5,687,725.50	1.3	1.3
ENRON SAV RO MMA/PW401K	20,685.24	.0%	.0
ENRON SCUD RO/PW-02	418,433.89	.1%	.1
ENRON SAVINGS 401(K)	1,270,879.85	.3%	.3
FID GROWTH CO 401(K)/KLL	26,140.33	.0%	.0
FID OTC 401(K)/KLL	16,935.16	.0%	.0
FID OVERSEAS 401(K)/KLL	24,451.95	.0%	.0
FID MAGELLAN 401(K)/KLL	61,206.92	.0%	.0
MANULIFE ANN KLL/PW-R	3,211,975.00	.7%	.7
MANULIFE ANN LPL/PW-R	2,266,644.02	.5%	.5
Total Retirement Plan:	<u>17,098,773.86</u>	3.8	3.8
Deferred Compensat'n Plan:			
HNG PLAN-85	69,670.00	.0%	.0
ENRON DEFERRED COMP-85	3,529,400.68	.8%	.8
ENRON DEFERRED COMP-94	1,049,847.00	.2%	.2
ENRON PHANTOM STOCK DEF	34,763,486.67	7.7	7.8
ELI LILLY DEFERRED COMP	1,232,846.60	.3%	.3
Total Deferred Compensat'n Plan:	<u>40,645,250.95</u>	9.0	9.1
TOTAL RETIREMENT/DEFERRED ASSETS	<u>57,877,593.85</u>	12.8	12.9
TOTAL WORKING ASSETS	<u>448,000,526.58</u>	99.4	100.0
PERSONAL/NON-EARNING ASSET			
Automobile(s):	<u>\$86,000,000</u> Tax on options		
	362,000,000		

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	<u>Balance</u>	<u>% of Total Assets</u>	<u>% of Working Assets</u>
90 JEEP WRANGLER	6,825.00	.0%	
92 4WD JEEP CHEROKEE	11,750.00	.0%	
93 MERCEDES 600SL	63,975.00	.0%	
95 LT SUBURBAN CHEVY	21,365.22	.0%	
96 RANGE ROVER	43,525.00	.0%	
99 MERCEDES ML430	52,693.33	.0%	
97 SUBURBAN CHEVY	29,893.30	.0%	
00 MERCEDES S500V	98,701.59	.0%	
00 MERCEDES ML55	73,348.19	.0%	
00 MERCEDES G500 LWB	149,176.18	.0%	
00 YELLOW JEEP WRANGLER	23,259.26	.0%	
00 SILVER JEEP WRANGLER	23,303.14	.0%	
00 RED JEEP WRANGLER	22,450.70	.0%	
Total Automobile(s):	<u>620,265.91</u>	.1%	
Home Furnishings:			
HOME FURNISHINGS/HUNT	1,142,147.66	.3%	
HOME FURNISHINGS/LOOSCAN	42,025.59	.0%	
HOME FURNISHINGS/ASPEN	138,984.11	.0%	
HOME FURNISHINGS/B-3431	163,984.20	.0%	
HOME FURNISHINGS/B-3429	80,833.15	.0%	
HOME FURNISHINGS/B-3433	93,818.41	.0%	
HOME FURNISHINGS/SPRING	158,863.51	.0%	
Total Home Furnishings:	<u>1,820,656.63</u>	.4%	
Other Vehicles & Equip:			
BW 21' OUTRAGE BOAT	49,327.00	.0%	
DUFFY 18' ELECTRIC BOAT	14,131.25	.0%	
HURRICANE 19'	22,695.14	.0%	
SPIRIT CANOE	406.43	.0%	
SUPER SPORT BOAT 1997	33,502.74	.0%	
Total Other Vehicles & Equip:	<u>120,062.56</u>	.0%	
TOTAL PERSONAL/NON-EARNING ASSET	<u>2,560,985.10</u>	.6%	
TOTAL ASSETS	<u>450,561,511.68</u>	100.0	

LIABILITIES

CURRENT LIABILITIES

Credit Cards:

AMER. EXPRESS/RL	-26,018.06	.0%	.0
AMERICAN EXPRESS	-41,495.95	.0%	.0
MASTERCARD 5551	4,272.72	.0%	.0
NEIMAN MARCUS 1314	-46,658.66	.0%	.0
NEIMAN MARCUS 7487	-213.57	.0%	.0
VISA GOLD 4151	5,244.87	.0%	.0

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swap rate vs.

	Balance	% of Total Assets	% of Working Assets
Total Credit Cards:	-104,868.65	.0%	.0
Notes Payable:			
CHASE BANK LOC	6,867,000.00	1.5	1.5
COMPASS BANK LOC	5,689,871.12	1.3	1.3
ENRON CORP. LOAN	3,600,000.00	.8%	.8
BANK OF AMER \$37.5M NON	24mm 33,234,999.56	< 10,000,000 > 7.4	7.4
PAINE WEBBER-LOC/PW-97	15,181,312.12	+ 2,500,000 3.4	3.4
ACCT PAYABLE (ST)-ENRON	253,962.65	< 7,500,000 > .1%	.1
Total Notes Payable:	64,827,145.45	14.4	14.5
Security Deposits:			
SEC DEPOSIT/Z-1918SR	1,550.20	.0%	.0
SEC DEPOSIT/Z-1856MAR	125.00	.0%	.0
SEC DEPOSIT/Z-MCDUF	150.00	.0%	.0
Total Security Deposits:	1,825.20	.0%	.0
Margin Acct Liability:			
PAINE WEBBER MARGIN/PW-99	1,569,131.72	.3%	.4
PAINE WEBBER MARGIN/PW-94	3,255,770.28	.7%	.7
Total Margin Acct Liability:	4,824,902.00	1.1	1.1
TOTAL CURRENT LIABILITIES	69,549,004.00	15.4	15.5
LONG-TERM LIABILITIES			
Home Mortgage:			
BANK OF AMER/LOOSCAN	623,407.55	.1%	.1
BANK OF AMER/HUNTINGDON	4,406,420.31	1.0	1.0
BANK OF AMER/HUNT #2 LIEN	494,539.79	.1%	.1
BANK OF AMER/HUNT #3 LIEN	495,520.27	.1%	.1
Total Home Mortgage:	6,019,387.92	1.3	1.3
Other Real Estate Mtge:			
BANK OF AMER/ASPEN	1,525,267.39	.3%	.3
CITICORP MORTGAGE/B-3431	202,233.17	.0%	.0
BANK OF AMER/LOTS	101,153.24	.0%	.0
BANK OF AMER/B-3429	244,807.62	.1%	.1
BANK OF AMER/B-3433	530,628.32	.1%	.1
BANK OF AMER/REBA	322,660.73	.1%	.1
BANK OF AMER/2514 AVALON	225,000.00	.0%	.1
BANK OF AMER/CREEKSTONE	1,200,000.00	.3%	.3
BANK OF AM/SPRING ST	4,308,919.39	1.0	1.0
Total Other Real Estate Mtge:	8,660,669.86	1.9	1.9
Investment Liabilities:			
BANK OF AMER/WESTGATE LOT	191,250.00	.0%	.0

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BK OF AM/CREDIT FACILITY	2,500,000.00	.6%	.6
Total Investment Liabilities:	<u>2,691,250.00</u>	.6%	.6
Deferred Tax Liabilities:			
DEF TAX LIAB-STK OPT ONLY	86,864,803.60	19.3	19.4
Total Deferred Tax Liabilities:	<u>86,864,803.60</u>	19.3	19.4
TOTAL LONG-TERM LIABILITIES	<u>104,236,611.38</u>	23.1	23.3
BUSINESS LIABILITIES			
Employer Taxes/Bus:			
FICA WITHHELD-EE (TX)	41,202.90	.0%	.0
FICA WITHHELD-LPL EE(TX)	5,327.76	.0%	.0
FIT WITHHELD-EE (TX)	82,052.62	.0%	.0
FIT WITHHELD-LPL EE(TX)	9,068.00	.0%	.0
SIT WITHHELD-EE (MO)	355.20	.0%	.0
SIT WITHHELD-EE (HH-CO)	162.00	.0%	.0
Total Employer Taxes/Bus:	<u>138,168.48</u>	.0%	.0
Accrued FICA Tax/Business:			
FICA PAYABLE-ER (TX)	41,204.77	.0%	.0
FICA PAYABLE-LPL ER(TX)	5,327.76	.0%	.0
Total Accrued FICA Tax/Business:	<u>46,532.53</u>	.0%	.0
TOTAL BUSINESS LIABILITIES	<u>184,701.01</u>	.0%	.0
TOTAL LIABILITIES	<u>173,970,316.39</u>	38.6	38.8
NET WORTH			
TOTAL NET WORTH	276,591,195.29	61.4	61.7
TOTAL LIABILITIES AND NET WORTH	<u>450,561,511.68</u>	100.0	


Total Net Worth
plus Current
Liabilities *(Less than)* *Options* *380,000,000*

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7.5%

6.61 +

8.6%

Interest Rates? 

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